
New Starts is the primary means by which the federal government provides capital funding for locally planned fixed guideway transit system. Since the early 1970’s it has helped fund transit projects in cities all across the United States such as the light rail systems in San Diego, CA and Dallas, TX. It is administered by The Federal Transportation Administration (FTA) and subjects projects to a rigorous evaluation to determine those that are eligible for funding.

To apply for New Starts funding, local agencies that sponsor transit projects submit data to FTA which then evaluates the likely future performance of the projects according to criteria such as cost per rider, projected ridership and local financial commitment. New Starts is a competitive process and only the top rated projects receive funding. The intent of the New Starts process is to ensure that federal funds go to most deserving transit projects.

This thesis seeks to determine what effect, if any, that the New Starts process has on the performance of transit projects by comparing projects that receive New Starts funding to those that do not. It hypothesizes that if New Starts is efficacious, projects funded by it will score better when rated according to measures that reflect the values of the New Starts process. The analysis reveals that New Starts funded projects outperformed locally funded projects in terms of measures such as ridership and cost effectiveness.